

Company Registration No. 06873051

ENW CAPITAL FINANCE PLC
Annual Report and Financial Statements
for the year ended 31 March 2025

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Strategic Report

The directors present their Strategic Report on ENW Capital Finance plc (“the Company”) for the year ended 31 March 2025.

Business review and principal activities

The principal activity of the Company is as a financing company within the North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”) group, part of the wider group headed by Iberdrola, S.A., one of the largest utility companies in the world and a leader in renewable energy.

During the year, Scottish Power Energy Networks Holdings Limited (“Scottish Power”), part of the group headed by Iberdrola, S.A., acquired 88% of the shares of NWEN (Jersey), with the remaining 12% of the shares retained by KDM Power Limited. For more information, see page 3 and Note 11.

There have been no changes to the activity of the Company as a result of the acquisition by Scottish Power.

The Company has previously had listed debt in issue; this debt was repaid at par on maturity in June 2015. At 31 March 2025, there were no plans to issue debt in the Company; the Company is being retained for any future financing need.

There have been no significant changes to the activity of the Company in the year ended 31 March 2025, nor are there any planned changes.

Financial review and key performance indicators

The results for the year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 11; the only movement has been interest receivable on the bank current account of £2k (2024: nil).

The Statement of Financial Position of the Company is set out on page 12, showing cash of £76k (2024: £14k) and net assets of £62k (2024: £60k).

Non-financial key performance indicators

As the Company is solely a financing company and there are no employees, there are no non-financial key performance indicators (KPIs) relevant to the Company.

A review of the Group’s non-financial KPIs is disclosed in the Non-Financial and Sustainability Information Statement on pages 23 to 27 of the Strategic Report of the ENWL Annual Report and Consolidated Financial Statements, which are available on the website, www.enwl.co.uk.

Environment and climate change

As the Company is solely a financing company, the activities of the Company cause no direct impact on, nor are directly impacted by, the environment or climate change.

The NWEN (Jersey) group is dedicated to achieving the highest standards of environmental performance, by minimising the risk of negative impacts of its activities and investing in outputs that deliver positive environmental impacts. More information can be found on pages 14 to 16 and pages 23 to 27 of the Strategic Report of the ENWL Annual Report and Consolidated Financial Statements, which are available on the website, www.enwl.co.uk.

Principal risks and uncertainties

An assessment of the change in risk affecting the Company has been carried out and the principal risks are deemed comparable year on year.

As there has been no debt in issue during the current or prior year, nor are there plans for the Company to issue debt in the coming year, there are no principal risks and uncertainties facing the Company.

Strategic Report (continued)

Going concern

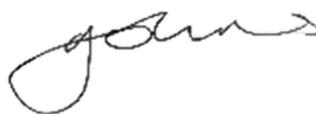
When considering whether to continue to adopt the going concern basis in preparing these financial statements, the directors have taken into account a number of factors, including the financial position of the Company and the group in which it operates.

The Company is a subsidiary of North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”); the key trading subsidiary in the group is Electricity North West Limited (“ENWL”). In consideration of this, the directors of the Company are cognisant of the going concern assessments and conclusions related to going concern along with all related disclosures in the financial statements of both NWEN (Jersey), pages 11 to 12, and ENWL, pages 40 to 41, for the year ended 31 March 2025, the latter of which is available on the website www.enwl.co.uk.

In addition to the above, on 16 June 2025 Scottish Power UK plc provided NWEN (Jersey) with a letter of support detailing the financial support it has committed to the group headed by NWEN (Jersey). An amount of £500.0m is available and can be utilised by NWEN (Jersey) and any of its subsidiaries, including the Company. This commitment will remain in place until the earlier of NWEN (Jersey) group securing alternative financing or 12 months from the date of approval of these financial statements, and will incur a charge of 20 basis points per annum whilst in place.

After making appropriate enquiries, and with consideration of the guidance published by the Financial Reporting Council (FRC), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for the foreseeable future. In making this assessment, the directors have considered the foreseeable future to be a period of at least 12 months from the date of approval of these financial statements, per the FRC guidelines. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Approved by the Board on 16 June 2025 and signed on its behalf by:



Chris Johns
Director

Directors' Report

The directors present their Annual Report and Financial Statements of ENW Capital Finance plc ("the Company") for the year ended 31 March 2025.

General information

The Company is a public company limited by shares and incorporated and domiciled in England, the United Kingdom under the Companies Act 2006. The principal activity of the Company is as a financing company within the North West Electricity Networks (Jersey) Limited ("NWEN (Jersey)") group, part of the wider group headed by Iberdrola, S.A., one of the largest utility companies in the world and a leader in renewable energy.

Parent, ultimate parent and controlling party

The immediate parent undertaking is North West Electricity Networks plc, a company incorporated and registered in the United Kingdom.

At 31 March 2024, the ultimate parent undertaking and ultimate controlling party was NWEN (Jersey), a company incorporated and registered in Jersey.

On 22 October 2024, Scottish Power Energy Networks Holdings Limited ("Scottish Power"), part of the group headed by Iberdrola, S.A, acquired 88% of the shares of NWEN (Jersey), with the remaining 12% of the shares retained by KDM Power Limited.

The transaction was subject to review by the Competition and Markets Authority ("CMA") pursuant to the regulations applicable to mergers of energy network companies in the United Kingdom; the CMA imposed an Initial Enforcement Order ("IEO") preventing any integration until CMA approval was granted. CMA approval was granted, and the IEO lifted, on 20 March 2025.

In the period from 22 October 2024 to 20 March 2025, despite Scottish Power's 88% equity ownership of NWEN (Jersey), Scottish Power did not control NWEN (Jersey), nor therefore the Company, due to the restrictions in the IEO. Scottish Power gained control of NWEN (Jersey) on 20 March 2025, when the CMA approval was granted and the IEO lifted.

At 31 March 2025, the directors regard Iberdrola, S.A., a company incorporated and registered in Spain, as the ultimate parent undertaking and the ultimate controlling party.

Dividends

Dividends paid in the year were £nil (2024: £nil). The directors do not propose a final dividend for the year ended 31 March 2025.

As this is solely a financing company, the policy is that dividends are not paid from this company.

Financial risk management

As the Company does not have any debt in issue, it is not exposed to any significant financial risk.

Engagement with suppliers, customers and others

The directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others. The Company is solely a financing company, is non-trading and has no direct suppliers or customers. The Company's primary business relationships are with finance lenders and investors, relationships with whom are managed by the Head of Corporate Finance and Investor Relations.

Employees

There are no employees of the Company.

Directors' Report (continued)

Greenhouse gas emissions and energy use

There are no greenhouse gas emissions directly attributable to the Company. Disclosures relating to the NWEN (Jersey) group as a whole are reported on pages 15 to 16 of the Strategic Report of the Annual Report and Consolidated Financial Statements of Electricity North West Limited, which are available on the website www.enwl.co.uk.

Future developments

There are no planned changes to the business activities of the Company.

Events after the Balance Sheet date

On 16 June 2025 Scottish Power UK plc provided North West Electricity Networks (Jersey) Limited ("NWEN (Jersey)") with a letter of support detailing the financial support it has committed to the group headed by NWEN (Jersey). An amount of £500.0m is available and can be utilised by NWEN (Jersey) and any of its subsidiaries, including the Company. This commitment will remain in place until the earlier of the NWEN (Jersey) group securing alternative financing, or 12 months from the date of approval of these financial statements, and will incur a charge of 20 basis points per annum whilst in place.

Corporate governance

The NWEN (Jersey) group has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the entire business. Details of the internal control and risk management systems which govern the Company are outlined in the Corporate Governance Report on pages 51 to 66 of the ENWL Annual Report and Consolidated Financial Statements, as referenced above.

Directors

The directors of the Company who were in office during the year were:

Executive Directors

- Chris Johns
- Ian Smyth

Non-executive Director

- Beatrice Araujo (appointed 21 March 2025)
- Rob Holden (resigned 21 March 2025)
- Charles Langan (appointed 21 March 2025)

Directors served for the whole year, and to the date of this report, except where otherwise indicated.

At no time during the year did any director have a material interest in any contract or arrangement which was significant in relation to the Company's business.

Directors' and officers' insurance

The NWEN (Jersey) group maintains an appropriate level of directors' and officers' liability insurance whereby directors are indemnified against liabilities to the extent permitted by the Companies Act.

The insurance is a group policy, held in the name of the ultimate parent, Iberdrola, S.A., and is for the benefit of that company and all its subsidiaries. NWEN (Jersey) and all its subsidiaries were added to the policy on 22 October 2024, the date Iberdrola, S.A. acquired its shareholding in NWEN (Jersey). Prior to this date, NWEN (Jersey) arranged a policy in its own name which has subsequently been cancelled.

In addition, on 23 March 2025 the ENW board by way of written resolution approved the grant to the directors of a qualifying third-party indemnity provision.

Directors' Report (continued)

Independent auditor

PricewaterhouseCoopers LLP, Statutory Auditor, Manchester, United Kingdom is acting as independent auditor for the current year, but will then step down. KPMG LLP, the independent auditor of Iberdrola, S.A. and its subsidiaries, will be proposed for appointment as the statutory auditor of the Company.

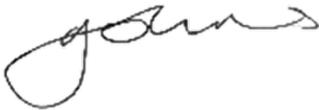
Registered address

The Company is registered in England, the United Kingdom, at the following address:

ENW Capital Finance plc
c/o Electricity North West
Borron Street
Stockport
England
SK1 2JD

Registered number: 06873051

Approved by the Board on 16 June 2025 and signed on its behalf by:



Chris Johns
Director

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

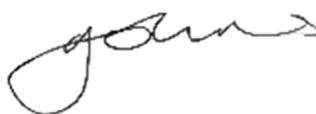
The directors are responsible for the maintenance and integrity of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of directors on 16 June 2025 and is signed on its behalf by:



Chris Johns
Director

Independent auditors' report to the members of ENW Capital Finance plc

Report on the audit of the financial statements

Opinion

In our opinion, ENW Capital Finance plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2025; the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of ENW Capital Finance plc (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of ENW Capital Finance plc (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and applicable tax laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to improve financial performance, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- discussions with management, legal counsel and internal audit including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing minutes of meetings of those charged with governance;
- auditing the calculations supporting tax balances and disclosures;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- reviewing financial statements disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of ENW Capital Finance plc (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon White (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
16 June 2025

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Operating result	4	-	-
Finance income	6	2	-
Profit before income tax		2	-
Income tax expense	7	-	-
Profit for the financial year		2	-
Other comprehensive income for the financial year		-	-
Total comprehensive income for the financial year		2	-

The results for the current and prior year are derived from continuing operations.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the notes which form part of these financial statements.

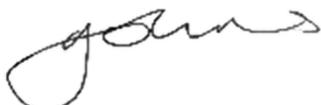
Statement of Financial Position

As at 31 March 2025

	Note	2025 £000	2024 £000
ASSETS			
Current assets			
Amounts owed by parent undertaking	8	-	60
Cash and cash equivalents		76	14
Total assets		76	74
LIABILITIES			
Current liabilities			
Amounts owed to parent undertaking	9	(14)	(14)
Total liabilities		(14)	(14)
Net current assets and Net assets		62	60
CAPITAL AND RESERVES			
Called up share capital	10	13	13
Retained earnings		49	47
Total shareholders' funds		62	60

The above statement of financial position should be read in conjunction with the notes which form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of directors on 16 June 2025 and signed on its behalf by:



Chris Johns
Director

Statement of Changes in Equity

For the year ended 31 March 2025

	Called up share capital (Note 10) £000	Retained earnings £000	Total shareholder's funds £000
At 1 April 2023	13	47	60
Result and total comprehensive income for the financial year	-	-	-
At 31 March and 1 April 2024	13	47	60
Profit and total comprehensive income for the financial year	-	2	2
At 31 March 2025	13	49	62

The above statement of changes in equity should be read in conjunction with the notes which form part of these financial statements.

Notes to the Financial Statements

ENW Capital Finance plc is a public company, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is at Electricity North West, Borron Street, Stockport, England, SK1 2JD.

The financial statements are presented in sterling, which is the functional currency of the Company. All values are stated in thousand pounds (£000) unless otherwise indicated.

The financial statements are prepared on the going concern basis. Further detail on the going concern assessment is contained in the Strategic Report, page 2, and in Note 2.

1. Adoption of new and amended standards

There are no new or amended standards effective for the current year that impact the Company.

2. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior year.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company has adopted FRS 101 on the basis that it meets the definition of a qualifying entity under FRS 100 '*Application of Financial Reporting Requirements*' and the financial statements have, therefore, been prepared in accordance with FRS 101, as issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, '*Financial instruments: Disclosures*',
- The following paragraphs of IAS 1, '*Presentation of financial statements*': 10(d) statement of cash flows; 16 statement of compliance with all IFRS; 38B-D additional comparative information; 111 statement of cash flows information; and 134-136 capital management disclosures,
- IAS 7, '*Statement of cash flows*',
- Paragraphs 30 and 31 of IAS 8, '*Accounting policies, changes in accounting estimates and errors*' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective),
- Paragraph 17 of IAS 24, '*Related party disclosures*' (key management compensation),
- The requirements in IAS 24, '*Related party disclosures*', to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures are given in the consolidated financial statements of North West Electricity Networks plc, the Company's immediate parent; those consolidated financial statements are available to the public and can be obtained as set out in Note 11.

All Company operations arise from its activities as a financing company in the North West of England. Accordingly, only one operating and geographic segment is reviewed by management.

Notes to the Financial Statements (continued)

2. Material accounting policy information (continued)

Going concern

When considering whether to continue to adopt the going concern basis in preparing these financial statements, the directors have taken into account a number of factors, including the financial position of the Company and the group in which it operates.

The Company is a subsidiary of North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”); the key trading subsidiary in the NWEN (Jersey) group is Electricity North West Limited (“ENWL”). In consideration of this, the directors of the Company are cognisant of the going concern assessments and conclusions related to going concern along with all related disclosures in the financial statements of both NWEN (Jersey), pages 11 to 12, and ENWL, pages 40 to 41, for the year ended 31 March 2025, the latter of which is available on the website www.enwl.co.uk.

In addition to the above, on 16 June 2025 Scottish Power UK plc provided NWEN (Jersey) with a letter of support detailing the financial support it has committed to the group headed by NWEN (Jersey). An amount of £500.0m is available and can be utilised by NWEN (Jersey) and any of its subsidiaries, including the Company. This commitment will remain in place until the earlier of the NWEN (Jersey) group securing alternative financing, or 12 months from the date of approval of these financial statements, and will incur a charge of 20 basis points per annum whilst in place.

After making appropriate enquiries, and with consideration of the guidance published by the Financial Reporting Council (FRC), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its obligations as they fall due for the foreseeable future. In making this assessment, the directors have considered the foreseeable future to be a period of at least 12 months from the date of approval of these financial statements, per the FRC guidelines. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Notes to the Financial Statements (continued)

2. Material accounting policy information (continued)

Taxation

The tax expense represents the sum of current and deferred tax charges for the financial year, adjusted for prior year items. There is no deferred tax in the Company.

Current taxation

Current tax is based on taxable profit for the year and is calculated using tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit may differ from the net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and other short-term highly liquid investments which are readily convertible into known amounts of cash and have an original maturity of three months or less and which are subject to an insignificant risk of change in value.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

The directors do not deem there to be any critical accounting judgements that affect the Company.

Key sources of estimation uncertainty

The directors do not deem there to be any key sources of estimation uncertainty that affect the Company.

Notes to the Financial Statements (continued)

4. Operating result

Audit fees payable to PricewaterhouseCoopers LLP ("PwC") for the audit of the financial statements of £10,630 (2024: £21,860) were borne by another company in the NWEN (Jersey) group and have not been recharged. These fees include £nil of additional fees in relation to the prior year (2024: £11,832). Total non-audit fees payable to PwC were £nil (2024: £nil).

5. Directors and employees

The Company had no employees during the year (2024: none).

For the year ended 31 March 2024 and 2025, directors' costs were borne by another Group company which makes no recharge to the Company and it is not possible to make an accurate apportionment to the Company. Total directors' remuneration is disclosed in the financial statements of North West Electricity Networks plc, the parent immediate parent company.

6. Finance income

	2025 £000	2024 £000
Interest receivable on bank current account	2	-

7. Income tax expense

	2025 £000	2024 £000
Current tax:		
Current year	-	-
Income tax expense	-	-

Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year.

There is no deferred tax, recognised or unrecognised, in the Company.

The table below reconciles the notional tax charge at the UK statutory rate to the effective tax rate for the year:

	2025 £000	2024 £000
Profit before income tax	2	-
Tax at the UK corporation tax rate of 25% (2024: 25%)	-	-
Income tax expense	-	-

Notes to the Financial Statements (continued)

8. Amounts owed by parent undertaking

	2025	2024
	£000	£000
Amounts falling due within one year	-	60

Amounts owed by parent undertaking related to amounts owed by North West Electricity Networks plc, under the inter-company loan that matured in June 2015; these were paid during the year.

9. Amounts owed to parent undertaking

	2025	2024
	£000	£000
Amounts falling due within one year	14	14

Amounts owed to parent undertaking relate to amounts owed to North West Electricity Networks plc, for group tax relief and are interest free and repayable on demand.

10. Called up share capital

	2025	2024
	£000	£000
Authorised:		
50,000 ordinary shares of £1 each (2024: 50,000)	50	50
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each, of which £0.25 has been called up and paid (2024: 50,000)	13	13

Notes to the Financial Statements (continued)

11. Parent, ultimate parent and controlling party

The immediate parent undertaking is North West Electricity Networks plc (“NWEN plc”), a company incorporated and registered in the United Kingdom. The registered address of the immediate parent undertaking is Borrton Street, Stockport, Cheshire, SK1 2JD.

The smallest group in which the current and prior year results of the Company are consolidated is that headed by NWEN plc; those consolidated financial statements can be obtained from the above address.

The largest group in which the full current and prior year results of the Company are consolidated is that headed by North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”), a company incorporated and registered in Jersey; those consolidated financial statements can be obtained from the registered address of NWEN (Jersey), which is 44 Esplanade, St Helier, Jersey, Channel Islands, JE4 9WG.

At 31 March 2024, the ultimate parent undertaking and ultimate controlling party was NWEN (Jersey).

On 22 October 2024, Scottish Power Energy Networks Holdings Limited (“Scottish Power”), part of the group headed by Iberdrola S.A., acquired 88% of the shares of NWEN (Jersey), with the remaining 12% of the shares retained by KDM Power Limited.

The transaction was subject to review by the Competition and Markets Authority (“CMA”) pursuant to the regulations applicable to mergers of energy network companies in the United Kingdom; the CMA imposed an Initial Enforcement Order (“IEO”) preventing any integration until CMA approval was granted. CMA approval was granted, and the IEO lifted, on 20 March 2025.

In the period from 22 October 2024 to 20 March 2025, despite Scottish Power’s 88% equity ownership of NWEN (Jersey), Scottish Power did not control NWEN (Jersey), nor therefore the Company, due to the restrictions in the IEO. Scottish Power gained control of NWEN (Jersey) on 20 March 2025, when the CMA approval was granted and the IEO lifted.

At 31 March 2025, the directors regard Iberdrola, S.A., a company incorporated and registered in Spain, as the ultimate parent undertaking and the ultimate controlling party. The largest group that will consolidate the results of the Company from 20 March is that headed by Iberdrola, S.A. The registered address of Iberdrola is Torre Iberdrola, Plaza Euskadi 5, 48009, Bilbao, Spain.

12. Contractual commitments

At 31 March 2024 and 2025, there were no commitments contracted for but not recognised as liabilities in the financial statements.

13. Post balance sheet events

On 16 June 2025 Scottish Power UK plc provided North West Electricity Networks (Jersey) Limited (“NWEN (Jersey)”) with a letter of support detailing the financial support it has committed to the group headed by NWEN (Jersey). An amount of £500.0m is available and can be utilised by NWEN (Jersey) and any of its subsidiaries, including the Company. This commitment will remain in place until the earlier of the NWEN (Jersey) group securing alternative financing or 12 months from the date of approval of these financial statements, and will incur a charge of 20 basis points per annum whilst in place.